

SENATE BILL 1327

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 50,
Chapter 2, Part 1, relative to local government
requirements of employers.

WHEREAS, economic stability and growth are among the most important factors affecting the general welfare of the people of this state, and economic stability and growth are therefore among the most important matters for which the general assembly is responsible; and

WHEREAS, mandated wage rates comprise a major cost component for private enterprises and are among the chief factors affecting the economic stability and growth of this state; and

WHEREAS, local variations and mandated wage rates threaten many businesses with a loss of employees to areas that require higher mandated wage rates, threaten many other businesses with a loss of patrons to areas that allow lower mandated wage rates, and are therefore detrimental to the business environment of the state and to the citizens, businesses, and governments of the various political subdivisions as well as local labor markets; and

WHEREAS, in order for businesses to remain competitive and yet attract and retain the highest possible caliber of employees, private enterprises in this state must be allowed to function in a uniform environment with respect to mandated wage rates; and

WHEREAS, the federal government has already set and enforced a stable mandated wage rate for the entire country; and

WHEREAS, wage disparity between political subdivisions of this state and this nation create an anticompetitive market that fosters job and business relocation; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

50-2-1__.

(a) Notwithstanding any other law, or charter, ordinance or resolution to the contrary, no local government shall possess the authority to require a private employer to pay the employer's employees any wage in excess of the amount required to be paid by such employer under applicable federal or state law.

(b) As used in this section, "local government" means a county, metropolitan or municipal government, or any agency or unit thereof or any other political subdivision of the state.

(c) If compliance with this section by a local government relative to a specific contract, project, or program would result in the denial of federal moneys that would otherwise be available to the local government, then the local government may require a private employer to pay the employer's employees a wage in excess of the amount required to be paid by such employer under applicable federal or state law, but only relative to such contract, project, or program.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to contracts entered into or renewed on or after that date.